

- ✧ Make a daily comparison of the meter reading on the check signing machine and the log of checks signed by the machine. A full accountability of all checks used must be completed monthly.
- ✧ The person authorized to sign checks must refuse to sign:
  - Blank checks;
  - Checks made out to cash;
  - Checks made out to the check signer; or,
  - Checks made out to the check preparer.
- ✧ See SAM 8001.2 regarding authorized signatures and SAM 8041 regarding spoiled checks and signature requirements for large checks.

## CASH DISBURSEMENTS

The following guidelines should be observed for cash disbursements.

- ✧ The person who authorizes or enters disbursement documents should not reconcile the resulting reports. (EXAMPLE: A person who enters a travel advance to CALSTARS should not reconcile the Revolving Fund.)
- ✧ A person preparing reports on goods received cannot process an invoice for payment for those goods.
- ✧ The person authorizing an invoice for payment cannot sign a check for the disbursement.

## RECEIVING CASH

The following guidelines should be observed when receiving cash.

- ✧ The supervisor of the person depositing the cash should review the bank deposit slip and verify that all receipts are recorded.
- ✧ To properly transfer a cash change, cash purchase, or cash payments fund, both the old and new custodian must independently count the fund. A common receipt must be prepared. Both custodians must sign the receipt before presenting it to the Accounting Officer.
- ✧ Any person who handles cash and other valuables should take an annual vacation. His or her duties should be rotated among other office staff and affected accounts reconciled during their absence.
- ✧ A person who collects and prepares numbered receipt forms should not control the forms or have access to the numbering mechanism, if the forms are prepared locally.
- ✧ A person who prepares receivables cannot process cash receipts and vice versa.
- ✧ A person who prepares claim schedules cannot process cash receipts.

- ✧ When a person leaves the accounting unit, his/her supervisor should insure that any CALSTARS documents and reports in his/her possession are returned to the unit files.
- ✧ When a person with unique knowledge of the CALSTARS tables leaves the accounting unit, his/her supervisor should insure that adequate documentation is in the unit files.
- ✧ When any person with a CALSTARS SIGNON ID leaves the accounting unit, the Agency Security Supervisor should immediately submit a CALSTARS 95, CALSTARS Security Form, to cancel that person's access to CALSTARS.
- ✧ As part of the exit process, the Agency Security Officer or other accounting supervisor should have the person leaving partially sign on to CALSTARS. The supervisor should then key a new password not known to the person leaving.
- ✧ The Agency Security Officer should develop a specific procedure for granting and canceling access to CALSTARS by contract and temporary persons, as appropriate. The previous two procedures also apply to contract or temporary persons who have CALSTARS access and have completed their assignments.
- ✧ When anyone with access to CALSTARS leaves under adverse circumstances, the Agency Security Officer should immediately contact the CALSTARS Security Supervisor, (916) 445-0211, Extension 2858, CNET 485-0211. The person's CALSTARS SIGNON ID may be cancelled within a few minutes.

## COMPLIANCE WITH INTERNAL CONTROL

The Financial Integrity and State Manager's Accountability Act of 1983 requires that the head of each State agency establish and maintain an adequate system of internal control. It is recommended that a proposed distribution of duties be submitted to the department's director or his designee for review and approval. In addition, if the resources available to a department do not permit compliance with the separation of duties specified in SAM 8080, it is recommended that the department consider contracting with other agencies or the Department of General Services, Contracted Fiscal Services for accounting services.

## SEPARATION OF DUTIES IN A SMALL AGENCY

Separation of duties is often a problem in small agencies. Exhibits XIX-1 through XIX-4 are examples of an acceptable separation of duties in the areas of cash disbursements control, cash receipts control, payroll control, and property/equipment control.